

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ZURICH AMERICAN INSURANCE
COMPANY as successor to ZURICH
INSURANCE COMPANY, U.S. BRANCH,

Plaintiff,

against

MUNICH REINSURANCE AMERICA, INC.,
(f/k/a American Re-Insurance Company),

Defendant.

Civ. No. 07 CV 2943 (LBS)

**RULE 26(a)(1) INITIAL
DISCLOSURES OF DEFENDANT
MUNICH REINSURANCE
AMERICA, INC.**

Defendant Munich Reinsurance America, Inc. (f/k/a American Re-Insurance Company) (“MRAm”), pursuant to Rule 26(a)(1) of the Federal Rules of Civil Procedure, sets forth its Initial Disclosures. MRAm reserves the right to supplement or amend its disclosures in the event that additional facts, claims, or defenses become known through discovery or otherwise.

DEFINITIONS

1. “**Documents**” shall include but shall not be limited to: correspondence, facsimiles, e-mail, memoranda, reports, file notes, documents stored in a digital format, or communications (whether internal or external) of any kind.
2. “**Zurich**” means Zurich American Insurance Company.
3. “**Underlying Matters**” means the cases titled *Los Angeles Department of Water & Power, et al. ex rel. Armenta v. James Jones Co., et al.* Los Angeles County Superior Court, Case No. BC 173487 (“**Armenta**”), and *Rothschild v. James Jones Co.*, San Diego County Superior Court, Case No. 726930 (“**Rothschild**”).
4. “**Watts**” means Watts Industries Inc.

5. “*Jones*” means the James Jones Company

6. “*Watts v. Zurich*” means the coverage action entitled *Watts Industries v. Zurich American Insurance Co.*, BC 245144.

7. “*Underlying Claimants*” means all claimants in the Underlying Matters.

8. “*Zurich’s Insureds*” mean Watts and Jones.

9. “*Zurich Policies*” means the following policies issued by Zurich to Jones and/or Watts:

GLO 6580893-00 (6/30/91-6/30/92)	GLO 6580889-07 (6/30/98-6/30/99)
GLO 6580889-01 (6/30/92-6/30/93)	GLO 6580889-08 (6/30/99-10/18/99)
GLO 6580889-02 (6/30/93-6/30/94)	GLO 6580889-09 (10/18/99-10/18/00)
GLO 6580889-03 (6/30/94-6/30/95)	CC 6372667-02 (6/30/91-6/30/92)
GLO 6580889-04 (6/30/95-6/30/96)	CC 6372667-03 (6/30/92-6/30/93)
GLO 6580889-05 (6/30/96-6/30/97)	CC 6372667-04 (6/30/93-6/30/94)
GLO 6580889-06 (6/30/97-6/30/98)	CC 6372667-05 (6/30/94-6/30/95)

I. Rule 26(a)(1)(A) Disclosures

The following individuals are likely to have discoverable information that MRAm may use to support its claims or defenses in this action:

<i>Name</i>	<i>Affiliation</i>	<i>Address & Telephone</i>
George Cavell	MRAm, Vice President, Claims	MRAm will make its employees available upon request.
Michael McMonagle	MRAm, Director, Claims	
Thomas O’Kane	MRAm Vice President, Claims	

Subject of information: Basis for MRAm’s denial of Zurich’s reinsurance billing.

* * *

David Devinger	Zurich Coverage Analyst	Schaumburg, IL 847/605-6000
Ann L. Field, JD	Zurich Vice President, Reinsurance Claims & Legal	Schaumburg, IL 847/605-6000
Robert Koscelniak	Zurich Vice President, Mass Litigation	Schaumburg, IL 847/605-6000
Rodney J. Kuzera	Zurich Accounting Analyst	Schaumburg, IL 847/605-6000
Dawn Renke-Brazier	Zurich Mass Litigation	Schaumburg, IL 847/605-6000
Beverly Sneddon	Zurich Reinsurance Claims & Legal Counsel	Schaumburg, IL 847/605-6000
Rachel Van der Linde	Zurich Reinsurance Recovery Specialist	Schaumburg, IL 847/605-6000

Subject of information: Whether Zurich owed its insureds a duty to defend or indemnify, and Zurich's bad faith handling of the underlying claims.

* * *

All attorneys retained by Zurich in *Watts v. Zurich*, in all appeals taken from that action, and in Zurich's declaratory judgment action filed in 2005, including:

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Subject of information: Factual information relating to Zurich's handling of the *Armenta* claim and activities in the coverage action and legal advice given to Zurich regarding the nature and scope of Zurich's obligations under the Zurich Policies.

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All attorneys retained by Watts and Jones in *Watts v. Zurich* and defense counsel for Watts and Jones in the Underlying Matters and appeal from *Armenta*, including:

Bryan D. Daly, Esq.

Beck, DeCorso, Daly, Kreindler & Harris
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Jordan S. Stanzler, Esq.

Stanzler Funderburk & Castellon LLP
180 Montgomery Street, Suite 1700
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415/677-1450

Subject of information: Factual information relating to the *Armenta* Phase II litigation.

In addition, MRAm refers to and incorporates by reference all persons identified in Zurich's Initial Disclosure Statement.

II. Rule 26(a)(1)(B) Disclosures

MRAm may rely upon the following documents, among others, to support its claims or defenses in this action:

A. In the possession of MRAm:

(1) MRAm's Facultative Certificates issued to Zurich ("the Certificates"):

6/30/91-92	8782992
6/30/91-92	8782992
6/30/92-93	8896425
6/30/92-93	8896425
6/30/93-94	9031142
6/30/94-95	9088822
6/30/95-96	9236266
6/30/96-97	9252225

- (2) Non-privileged pre-litigation documents contained in MRAm's reinsurance claim file relating to Zurich's claims for reinsurance under one or more of the certificates.
- (3) Non-privileged documents contained in MRAm's underwriting file(s) for the Certificates.

B. *In the possession of Zurich:*

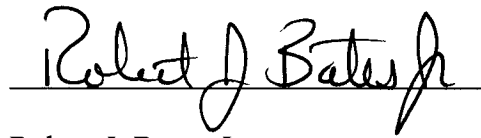
- (1) All Zurich Policies.
- (2) All Zurich claims files relating to claims submitted by Zurich's Insureds regarding the Underlying Matters, including documents relating to:
 - (a) Negotiations between or among Zurich and Zurich's Insureds regarding settlement.
 - (b) Settlement agreements entered into between the Underlying Claimants and Zurich's Insureds from 2001 to present, including the DWP Settlement Agreement and the Phase I Cities Settlement.
 - (c) Reports and opinions from Zurich's coverage counsel from 1998 to present, including: (1) whether Zurich's Insureds had established an "occurrence" under the Subject Policies; (2) whether Zurich's indemnity payments to Zurich's Insureds were based on its breach of its duty to defend; and (3) whether Zurich's breach constituted bad faith under California law.
 - (d) Zurich's reserves under the Subject Policies from first tender of claim from 1998 to present.
 - (e) Evaluations or analyses by Zurich's auditors of the legal bills submitted by Zurich's Insureds' defense counsel.
- (3) All Zurich ceded reinsurance files pertaining to Zurich's reinsurance claim that is the subject of this litigation, Claimant No. 9120041906, et al. and Munich Re Claim No. 6112285, Master file and all related files.
- (4) All discovery, pleadings, court transcripts, deposition transcripts, and orders in *Watts v. Zurich*.
- (5) All pleadings, transcripts, appendices, and orders in all appeals taken by Zurich from *Watts v. Zurich*.

- (6) All discovery, pleadings, hearing transcripts, deposition transcripts, and orders from the declaratory judgment action filed by Zurich in January 2005 in California state court, No. BC 326747, against Watts and Federal Insurance Company in connection with Zurich's four excess policies.
- (7) All discovery, pleadings, court transcripts, deposition transcripts, and orders in the Underlying Matters.

III. Rule 26(a)(1)(C) & (D)

Not applicable to MRAm.

Respectfully submitted,

A handwritten signature in black ink, reading "Robert J. Bates, Jr.", written over a horizontal line.

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Dated: July 27, 2007

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